

**Harrington Group**  
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**MARIN ABUSED WOMEN'S SERVICES**

**FINANCIAL STATEMENTS,  
SUPPLEMENTAL SCHEDULE,  
and  
ADDITIONAL INFORMATION**

**JUNE 30, 2008**

DATE RECEIVED:



AUDIT REVIEW #(s) 0442.6

Assigned To: Armstrong

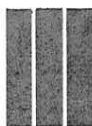
Date Reviewed: 2/24/09

Reviewer's Initials: PA

Date Review(s) Completed: 2/24/09

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### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Marin Abused Women's Services

We have audited the accompanying Statement of Financial Position of Marin Abused Women's Services (a nonprofit organization) as of June 30, 2008 and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Marin Abused Women's Services' June 30, 2007 financial statements and in our report dated November 21, 2007 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Abused Women's Services as of June 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2008 on our consideration of Marin Abused Women's Services internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Marin Abused Women's Services taken as a whole. The accompanying Schedule of Expenditures of Federal and Nonfederal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

San Francisco, California  
October 15, 2008

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MARIN ABUSED WOMEN'S SERVICES

STATEMENT OF FINANCIAL POSITION

June 30, 2008

With comparative totals at June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
<b>Assets</b>					
Cash	\$ 2,355	\$ -	\$ -	\$ 2,355	\$ 25,778
Accounts receivable	925,579			925,579	661,339
Prepaid expenses and other assets	41,211			41,211	41,638
Investments (Note 3)	331,497	5,403	5,600	342,500	358,998
Investment property (Note 4)		287,555		287,555	281,435
Property and equipment (Note 5)	3,482,499			3,482,499	3,571,217
<b>Total assets</b>	<u>\$ 4,783,141</u>	<u>\$ 292,958</u>	<u>\$ 5,600</u>	<u>\$ 5,081,699</u>	<u>\$ 4,940,405</u>
<b>Liabilities and net assets</b>					
<b>Liabilities</b>					
Accounts payable	\$ 186,308	\$ -	\$ -	\$ 186,308	\$ 79,088
Accrued liabilities (Note 6)	264,157			264,157	161,316
Line of credit (Note 7)	274,507			274,507	360,499
Notes payable (Note 8)	3,067,076			3,067,076	3,027,240
<b>Total liabilities</b>	<u>3,792,048</u>	<u>-</u>	<u>-</u>	<u>3,792,048</u>	<u>3,628,143</u>
<b>Net assets</b>					
Unrestricted	615,467			615,467	717,501
Unrestricted - board designated	375,626			375,626	299,998
Temporarily restricted (Note 10)		292,958		292,958	289,163
Permanently restricted (Note 11)			5,600	5,600	5,600
<b>Total net assets</b>	<u>991,093</u>	<u>292,958</u>	<u>5,600</u>	<u>1,289,651</u>	<u>1,312,262</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,783,141</u>	<u>\$ 292,958</u>	<u>\$ 5,600</u>	<u>\$ 5,081,699</u>	<u>\$ 4,940,405</u>

The accompanying notes are an integral part of these financial statements.

**MARIN ABUSED WOMEN'S SERVICES**

STATEMENT OF ACTIVITIES  
For the year ended June 30, 2008  
With comparative totals for the year ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
<b>Revenue and support</b>					
Government contracts and grants (Note 12)	\$ 2,108,249	\$ -	\$ -	\$ 2,108,249	\$ 2,018,119
Contributions	249,804			249,804	235,323
Donated phone cards				-	168,000
Rental income	165,814			165,814	182,441
Program grants	153,539			153,539	136,488
Client fees	71,660			71,660	92,284
Special events	62,067			62,067	83,195
Training and speaker fees	22,623			22,623	23,009
Other income	13,579			13,579	9,736
Dividend income	9,466			9,466	9,824
Change in value of investment property		6,120		6,120	6,120
(Loss) on investments	(38,532)			(38,532)	27,822
(Loss) on disposal of property and equipment				-	(92)
Net assets released from restrictions	2,325	(2,325)		-	-
<b>Total revenue and support</b>	<b>2,820,594</b>	<b>3,795</b>	<b>-</b>	<b>2,824,389</b>	<b>2,992,269</b>
<b>Expenses</b>					
Program services	2,262,193			2,262,193	2,480,922
Supporting services	584,807			584,807	419,858
<b>Total expenses</b>	<b>2,847,000</b>	<b>-</b>	<b>-</b>	<b>2,847,000</b>	<b>2,900,780</b>
<b>Change in net assets</b>	<b>(26,406)</b>	<b>3,795</b>	<b>-</b>	<b>(22,611)</b>	<b>91,489</b>
<b>Net assets, beginning of year</b>	<b>1,017,499</b>	<b>289,163</b>	<b>5,600</b>	<b>1,312,262</b>	<b>1,220,773</b>
<b>Net assets, end of year</b>	<b>\$ 991,093</b>	<b>\$ 292,958</b>	<b>\$ 5,600</b>	<b>\$ 1,289,651</b>	<b>\$ 1,312,262</b>

The accompanying notes are an integral part of these financial statements.

With comparative totals for the year ended June 30, 2007

Total 2007 functional expenses

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# MARIN ABUSED WOMEN'S SERVICES

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2008

With comparative totals for the year ended June 30, 2007

	2008	2007
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (22,611)	\$ 91,489
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	111,960	151,210
Amortization of loan fees	1,302	1,302
Loss on disposal of property and equipment	-	92
Change in valuation of investment property	(6,120)	(6,120)
Dividends reinvested	(10,815)	(9,824)
(Gain) loss on investments	38,532	(27,822)
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(264,240)	(122,381)
(Increase) decrease in prepaid expenses and other assets	(875)	6,508
Increase (decrease) in accounts payable	107,220	(2,362)
Increase in accrued liabilities	102,841	2,109
<b>Net cash provided by operating activities</b>	<b>57,194</b>	<b>84,201</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	100,030	-
Purchase of investments	(111,249)	(258,537)
Purchase of property and equipment	(23,242)	-
<b>Net cash (used) by investing activities</b>	<b>(34,461)</b>	<b>(258,537)</b>
<b>Cash flows from financing activities:</b>		
New borrowings on line of credit	-	1,722,687
Payments of line of credit	(85,992)	(1,477,500)
New borrowings on notes payable	100,000	-
Principal payments on notes payable	(60,164)	(47,516)
<b>Net cash provided (used) by financing activities</b>	<b>(46,156)</b>	<b>197,671</b>
<b>Net increase (decrease) in cash</b>	<b>(23,423)</b>	<b>23,335</b>
<b>Cash, beginning of year</b>	<b>25,778</b>	<b>2,443</b>
<b>Cash, end of year</b>	<b>\$ 2,355</b>	<b>\$ 25,778</b>
<b>Supplemental disclosure:</b>		
Operating activities reflect interest paid of:	\$ 202,021	\$ 196,310

The accompanying notes are an integral part of these financial statements.

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

Marin Abused Women's Services ("MAWS") was incorporated as a California nonprofit public benefit corporation in 1977. MAWS provides comprehensive services primarily to residents of Marin County, which include:

- An emergency and second stage affordable housing facility for women and their children.
- A 24-hour hotline for English speaking clients, a hotline for Spanish speaking clients, which is available during normal business hours, referral systems, and community support groups for battered women and children.
- Year-long education classes and a 24-hour hotline for abusive men.
- Countywide community outreach and education and prevention programs.
- Technical assistance and training programs for other domestic violence programs and service providers.

### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of MAWS are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

**Unrestricted.** These generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

continued



# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

**Temporarily Restricted.** MAWS reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

**Permanently Restricted.** These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit MAWS to expend all of the income (or other economic benefits) derived from the donated assets.

#### Accounts Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

#### Contributions and Pledges Receivable

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenue in the period received. MAWS reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. MAWS reports unconditional contributions, whose restrictions are met in the same reporting period, as unrestricted support.

#### Investments

MAWS values its investments at fair value. Gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain (loss) on investments.

#### Concentration of Credit Risks

The primary receivable balance outstanding at June 30, 2008 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of MAWS' receivables consist of earned fees from contract programs granted by governmental agencies.

continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies, continued

#### Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

#### Donated Materials and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. No donated materials or services were received in the year ended June 30, 2008, which met the criteria for recognition.

A number of unpaid volunteers have made significant contributions of their time to MAWS. However, the value of these services is not reflected in these statements because the criteria for recognition have not been satisfied.

During the year ended June 30, 2008, volunteers provided the following hours to MAWS' programs:

Women's English and Spanish Hotline	14,892
Men's Program Hotline	8,760
Support Groups	571
Transitional Housing	182
Other	<u>28</u>
	<u>24,433</u>

#### Income Taxes

MAWS is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

#### Functional Allocation of Expenses

Costs of providing MAWS' programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. MAWS uses full-time employee equivalents to allocate indirect costs.

continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies, continued

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented.

#### Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with MAWS' financial statements for the year ended June 30, 2007 from which the summarized information was derived.

### 3. Investments

Investments at June 30, 2008 consist of the following:

Mutual funds	\$199,470
Money market funds	<u>143,030</u>
	<u>\$342,500</u>

### 4. Investment Property

Property consisting of a single-family dwelling and the related land located in Mill Valley was donated to MAWS in 1998. As the first beneficiary, MAWS received a remainder interest in the property upon settlement of the will of the former owner. Pursuant to the terms of the will, a second beneficiary holds a life estate in the property. After the death of the second beneficiary, the will requires that the property be used as a shelter for battered women. However, if it is not possible to use the property in this manner, MAWS may then sell the property and use the proceeds exclusively for its shelter program.

The property has been recorded at market value at the date of donation less a discount for the life estate of the second beneficiary as follows:

Market value – estimated	\$380,000
Discount	<u>(92,445)</u>
	<u>\$287,555</u>

continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 5. Property and Equipment

Property and equipment at June 30, 2008 consist of the following:

Land	\$ 1,567,055
Buildings and improvements	3,407,944
Furniture and equipment	<u>201,687</u>
	5,176,686
Less: accumulated depreciation	<u>(1,694,187)</u>
	<u>\$ 3,482,499</u>

### 6. Accrued Liabilities

Accrued liabilities at June 30, 2008 consist of the following:

Accrued vacation	\$ 69,727
Accrued payroll	70,684
Rental deposits	14,158
Deferred revenue	99,169
Other accrued liabilities	<u>10,419</u>
	<u>\$264,157</u>

### 7. Line of Credit

MAWS has a line of credit with a bank in the amount of \$300,000 at a variable interest rate of 6.00%, due April 2009. The bank has first priority security interest in MAWS' real property. At June 30, 2008 the outstanding balance was \$274,507.

### 8. Notes Payable

Notes payable at June 30, 2008 consist of the following:

Note payable to a foundation, secured by a deed of trust, monthly payments of \$9,778, including interest at 4.50% per annum, with a balloon payment due June 2010.	\$1,836,336
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Note payable to a bank, secured by a deed of trust, monthly payments of \$8,453, including interest at 7.30% per annum, due October 2012.	1,143,564
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continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 8. Notes Payable, continued

Note payable to a bank, secured by a deed of trust, monthly payments of \$2,029 including interest at 8.00 % per annum, due October 2012.

87,176

\$3,067,076

Maturities for notes payable are as follows:

#### Year ended June 30,

2009	\$ 72,059
2010	1,840,344
2011	41,528
2012	53,559
2013	<u>1,059,586</u>
	<u>\$3,067,076</u>

### 9. Commitments and Contingencies

#### Obligations Under Operating Leases

MAWS leases various facilities and office equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

#### Year ended June 30,

2009	\$19,813
2010	19,813
2011	19,813
2012	<u>5,525</u>
	<u>\$64,964</u>

Rent expense under operating leases for the year ended June 30, 2008 was \$93,406.

#### Contracts

MAWS' grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, MAWS has no provisions for the possible disallowance of program costs on its financial statements.

continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 10. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2008 consist of the following:

Investment property – Strawberry life estate	\$287,555
Sunshine Lady grants	<u>5,403</u>
	<u>\$292,958</u>

### 11. Permanently Restricted Net Assets

Permanently restricted net assets represent contributions which the donor has stipulated that the principal is to be kept intact in perpetuity and only the interest and dividends therefrom may be expended for unrestricted purposes. At June 30, 2008 permanently restricted net assets were \$5,600.

### 12. Government Contracts and Grants

Government contracts and grants for the year ended June 30, 2007 consist of the following:

Emergency prepared and injury control - disability grant	\$ 263,271
Disabled/Developmentally Disabled Issues	314,956
Emergency prepared and injury control – faith grant	251,878
OVW - Women's community advocacy project	168,928
Maternal and child health	221,329
Shelter and community services	182,827
OES - Technical assistance and training	147,000
OVW – 2 <sup>nd</sup> Step	137,402
Housing and urban development	118,415
Marriage license fees	60,070
OVW – Technical Assistance Project	217,173
Marin County – Community Benefit Funds	<u>25,000</u>
	<u>\$2,108,249</u>

continued

# MARIN ABUSED WOMEN'S SERVICES

## NOTES TO FINANCIAL STATEMENTS

### 13. Domestic Violence Shelter Program – Office of Emergency Services (“OES”)

Costs incurred for the domestic violence shelter program relating to the OES funding are included in program services on the Statement of Functional Expenses. These costs for the year ended June 30, 2008 consist of the following:

<u>Category</u>	<u>Grant #</u>
	<u>DV07221181</u>
Personal services	\$168,663
Operating expenses	39,307
Cash match	<u>(25,143)</u>
Total	<u>\$182,827</u>

<u>Category</u>	<u>Grant #</u>
	<u>FV07101181</u>
Personal services	\$113,880
Operating expenses	62,370
Cash match	<u>(29,250)</u>
Total	<u>\$147,000</u>

## **SUPPLEMENTAL SCHEDULE**



## MARIN ABUSED WOMEN'S SERVICES

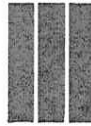
SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS  
For the year ended June 30, 2008

Federal awards Agency Program grant title	Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures From Governmental Revenue
			Federal	Nonfederal	
<b>Major awards</b>					
U.S. Department of Justice:	2005-WHAX-0021		\$ 137,402	\$ -	\$ 137,402
Corrections and Law Enforcement	2006-WT-AX-K022		217,173		217,173
Family Support		16.563	354,575	-	354,575
<b>Total major awards</b>			354,575	-	354,575
<b>Non-major awards</b>					
U.S. Department of Justice:					
Crime Victims Assistance					
Pass-through, State of California Office of Emergency Services:					
Domestic Violence Assistance Program	DV06211181		93,508.00		93,508
		16.575	93,508	-	93,508
U.S. Department of Health and Human Services:					
Family Violence Prevention and Services					
Pass-through, State of California Office of Emergency Services:					
Domestic Violence Assistance Program	FV07101181		97,000	50,000	147,000
Domestic Violence Assistance Program	DV07211181		52,006	32,118	84,124
		93.671	149,006	82,118	231,124
U.S. Department of Housing and Urban Development:					
Supportive Housing Program					
Short-Term Transitional Housing Program	CA01B707005		62,529		62,529
Second Step Transitional Housing Program	CA01B707006		55,886		55,886
		14.235	118,415	-	118,415
U.S. Department of Justice/Office on Violence Against Women:					
Violence Against Women Formula Grants					
Pass-through, County of Marin:					
Women's Community Advocacy Project	2004-WF-AX-0081		168,928		168,928
Women's Community Advocacy Project	DV07211181		5,195		5,195
		16.588	174,123	-	174,123
<b>Total non-major awards</b>			535,052	82,118	617,170
<b>Total federal awards</b>			889,627	82,118	971,745
<b>Nonfederal awards</b>					
State of California Department of Health Services:					
Emergency Prepared and Injury Control	05-45223			251,878	251,878
Disabled/Developmentally Disabled Issues	05-45366			263,271	263,271
Emergency Prepared and Injury Control	05-45051			221,329	221,329
Maternal, Child and Adolescent Health	06-55307			314,956	314,956
County of Marin:					
Marriage license fees	07/08			60,070	60,070
Community Benefit Funds	07/08			25,000	25,000
<b>Total nonfederal awards</b>			-	1,136,504	1,136,504
<b>Total federal and nonfederal awards</b>			\$ 889,627	\$ 1,218,622	\$ 2,108,249

## Summary of Significant Accounting Policies:

1. Basis of Accounting - The Schedule of Expenditures of Federal and Nonfederal Awards has been reported on the accrual basis of accounting.
2. MAWS is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.

## ADDITIONAL INFORMATION



## Harrington Group

CERTIFIED PUBLIC ACCOUNTANTS, LLP

J. Joseph Harrington  
Job M. Quesada  
Sean E. Cain  
Tonetta L. Conner

### Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

#### To the Board of Directors Marin Abused Women's Services

We have audited the financial statements of Marin Abused Women's Services ("MAWS") as of and for the year ended June 30, 2008 and have issued our report thereon October 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting.** In planning and performing our audit, we considered MAWS' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MAWS' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MAWS' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects MAWS' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of MAWS' financial statements that is more than inconsequential will not be prevented or detected by MAWS' internal control.

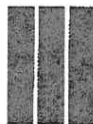
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by MAWS' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether MAWS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California  
October 15, 2008



## Harrington Group

CERTIFIED PUBLIC ACCOUNTANTS, LLP

J. Joseph Harrington  
Job M. Quesada  
Sean E. Cain  
Tonetta L. Conner

### Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors  
Marin Abused Women's Services

**Compliance.** We have audited the compliance of Marin Abused Women's Services ("MAWS") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. MAWS' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of MAWS' management. Our responsibility is to express an opinion on MAWS' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MAWS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on MAWS' compliance with those requirements.

In our opinion, MAWS complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

**Internal Control over Compliance.** The management of MAWS is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered MAWS' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MAWS' internal control over compliance.

A *control deficiency* in MAWS' internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects MAWS' ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by MAWS' internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by MAWS' internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

San Francisco, California  
October 15, 2008

**MARIN ABUSED WOMEN'S SERVICES**  
**Schedule of Findings and Questioned Costs**  
For the year ended June 30, 2008

**Section I – Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:		unqualified
Internal control over financial reporting:		
• Material weakness(es) identified?	_____yes	___x___no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____yes	___x___none reported
Noncompliance material to financial statements noted?	_____yes	___x___no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____yes	___x___no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____yes	___x___none reported
Type of auditor's report issued on compliance for major programs:		unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____yes	___x___no
Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	___x___yes	_____no

Identification of Major Programs:

CFDA Number(s)  
16.563

Name of Federal Program or Cluster

U. S. Department of Justice:  
Corrections and Law Enforcement Family Support:  
Pass-through, State of California Office of Emergency Services:  
Domestic Violence Assistance Program

**Section II – Financial Statements Findings**

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

**Section III – Federal Award Findings and Questioned Costs**

There are neither findings nor questioned costs for Federal awards as defined in OMB Circular A-133.

**Section IV – Summary Schedule of Prior Year Findings**

None.